



FINANCIAL INSTITUTIONS TODAY

News and topics of interest to financial institutions regulated by the Department of Banking and Finance

September 2016

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Cybersecurity Awareness for Financial Institutions and Critical Third-Party Service Providers

The FFIEC continues to take a number of initiatives to raise awareness regarding cybersecurity risks and to emphasize the need to identify, assess, and mitigate these risks in light of the increasing volume and sophistication of cyber threats. Financial institutions are increasingly dependent on information technology and telecommunications to deliver services to consumers and businesses every day. Disruption, degradation, or unauthorized alteration of information and systems that support these services can affect operations and core processes and undermine confidence in the nation's financial services sector.

The Cybersecurity and Critical Infrastructure Working Group was created in 2013 to enhance communication among the FFIEC member agencies and build on existing efforts to strengthen the activities of other interagency and private sector groups. In addition, the FFIEC began assessing and enhancing the state of the industry preparedness and identifying gaps in the regulators' examination procedures and training that can be closed to strengthen the oversight of cybersecurity readiness.

The National Institute of Standards and Technology defines cybersecurity as "the process of protecting information by preventing, detecting, and responding to attacks." As part of cybersecurity, institutions should consider management of internal and external threats and vulnerabilities to protect information assets and the supporting infrastructure from technology-based attacks.

The following resources can help management and directors of financial institutions to understand supervisory expectations, increase awareness of cybersecurity risks, and assess and mitigate the risks facing their institutions.

FFIEC Resources:

- [Cybersecurity of Interbank Messaging and Wholesale Payment Networks](#) (PDF)
- [FFIEC Joint Statement on Cyber Attacks Involving Extortion](#) (PDF)
- [FFIEC Cybersecurity Assessment Tool Presentation](#)
- [FFIEC Statement on Destructive Malware](#) (PDF)
- [FFIEC Statement on Compromising Credentials](#) (PDF)
- [FFIEC IT Examination Handbook InfoBase](#)
- [Introduction to the FFIEC's Cybersecurity Assessment](#)
- May 7, 2014 - Webinar: *Executive Leadership of Cybersecurity: What Today's CEOs Need to Know About the Threats They Don't See*. [View Slides](#) | [View Video](#)
- [FFIEC Cybersecurity Assessment General Observations](#) (PDF)
- [Cybersecurity Brochure](#) (PDF)

FFIEC Statements and Alerts Regarding Threats and Vulnerabilities:

- June 7, 2016 - Press Release: [The Federal Financial Institutions Examination Council \(FFIEC\), on behalf of its members, is issuing this statement, in light of recent cyber attacks, to remind financial institutions of the need to actively manage the risks associated with interbank messaging and wholesale payment networks.](#)
- November 3, 2015 - Press Release: [The Federal Financial Institutions Examination Council \(FFIEC\) today issued a statement alerting financial institutions to the increasing frequency and severity of cyber attacks involving extortion.](#)

- June 30, 2015 - Press Release: [The FFIEC today released a Cybersecurity Assessment Tool to help institutions identify their risks and assess their cybersecurity preparedness.](#)
- March 30, 2015 - Press Release: [The FFIEC released information regarding the release of two statements about ways that financial institutions can identify and mitigate cyber attacks that compromise user credentials or use destructive software, known as malware.](#)
- March 17, 2015 - Press Release: [The Federal Financial Institutions Examination Council \(FFIEC\) today provided an overview of its cybersecurity priorities for the remainder of 2015.](#)
- November 3, 2014 - Press Release: [FFIEC Releases Cybersecurity Assessment Observations, Recommends Participation in Financial Services Information Sharing and Analysis Center](#)
- September 26, 2014 - Press Release: [State and Federal Regulators: Financial Institutions Should Move Quickly to Address Shell-shock Vulnerability](#)
- June 24, 2014 - Press Release: [FFIEC Launches Cybersecurity Web Page and Commences Cybersecurity Assessment](#)
- May 7, 2014 - Press Release: [FFIEC Promotes Cybersecurity Preparedness for Community Financial Institutions](#)
- April 10, 2014 - Press Release: [Financial Regulators Expect Firms to Address OpenSSL "Heartbleed" Vulnerability](#)
- April 2, 2014 - Press Release: [Financial Regulators Release Statements on Cyber-Attacks on Automated Teller Machine and Card Authorization Systems and Distributed Denial of Service Attacks](#)
- October 7, 2013 – [Press Release: Financial Regulators Release Statement on End of Microsoft Support for Windows XP Operating System](#)
- October 2, 2013 – [Press Release: FFIEC Supports National Cybersecurity Awareness Month](#)

Exercise Program Resources:

- [Federal Deposit Insurance Corporation's Cyber Challenge](#)
- [FS-ISAC Global Events/Cyber-Attack Against Payment Systems \(CAPS\) Exercise](#)

Other Resources:

- [Financial Services Information Sharing and Analysis Center](#)
- [FBI Infragard](#)
- [National Credit Union Administration's Cyber Security Resources Page](#)

Revised Information Security Booklet

On September 9, 2016, the Federal Financial Institutions Examination Council (FFIEC) issued a revised *Information Security* booklet, which is part of the *FFIEC Information Technology Examination Handbook* (IT Handbook). The revised booklet addresses factors necessary to assess the level of security risks to a financial institution's information systems to enhance the effectiveness of information security program management. The IT Handbook is available at <http://ithandbook.ffiec.gov/>.

Community Banking in the 21st Century: 2016 Survey Results

The results of the Community Banking in the 21st Century National Survey of Community Banks was released in conjunction with the fourth annual Community Banking Research and Policy Conference, as co-sponsored by the Conference of State Bank Supervisors (CSBS) and the Federal Reserve System. A total of 557 community bankers participated in the survey. The goal of the conference and survey is to encourage and facilitate research on community banking. This research is a critical component to improving public policy as it relates to community banks and local communities. The 2016 report is available at https://www.communitybanking.org/documents/2016-Conference-Papers/CB21Cpublication_2016.pdf.

The Department thanks all Georgia bankers who participated in the 2016 survey.

Shared Resource Arrangements: An Alternative to Consolidation

In September 2016, CSBS issued a white paper entitled *Shared Resource Arrangements: An Alternative to Consolidation* to highlight some of the risks that may arise when financial institutions share resources and to identify successful examples of such arrangements. The white paper is available at <https://www.csbs.org/news/presentations/annualreports/Documents/Shared%20Resource%20Arrangements%20Whitepaper%20FINAL.pdf>.

Action on Applications for the Month:

The following is a summary of official action taken on applications by state financial institutions under Title 7, Chapter 1 of the O.C.G.A. and petitions for certificate of incorporation of financial institutions and other matters of interest during the month of September 2016.

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

| <u>FINANCIAL INSTITUTION</u> | <u>BRANCH OFFICE</u> | <u>APPROVAL DATE</u> | <u>BEGIN BUSINESS DATE</u> |
|--|---|---------------------------------|---------------------------------------|
| Delta Community Credit Union Atlanta | Alpharetta 11575 Haynes Bridge Road Alpharetta, GA 30009 Fulton County | 09-08-2016 | |
| Georgia's Own Credit Union Atlanta | Main Office 100 Peachtree Street Atlanta, GA 30303 Fulton County | 09-23-2016 | |
| North Main Credit Union Cornelia | Main Office 255 North Main Street Cornelia, GA 30531 Habersham County | 05-17-2016 | 09-26-2016 |
| Planters First Bank Cordele | Macon Rivoli 4361 Rivoli Drive Macon, GA 31210 Bibb County | 08-22-2016 | 09-13-2016 |
| Members First Credit Union Decatur | Hiram High School 702 Virgie Ballentine Drive Hiram, GA 30141 Paulding County | 09-06-2016 | |
| Metro City Bank Doraville | Dallas 9788 Walnut Street Dallas, TX 75243 Dallas County | 06-24-2016 | 09-22-2016 |
| Metro City Bank Doraville | Grand Prairie 2615 West Pioneer Parkway Grand Prairie, TX 75051 Tarrant County | 06-24-2016 | 09-22-2016 |
| HALLCO Community Credit Union Gainesville | Flowery Branch 5900 Spout Springs Road Flowery Branch, GA 30542 Hall County | 09-28-2016 | |

APPLICATIONS TO CHANGE LOCATION

| <u>FINANCIAL INSTITUTION</u> | <u>CHANGE LOCATION OF</u> | <u>APPROVAL DATE</u> | <u>EFFECTIVE DATE</u> |
|---------------------------------------|--|-----------------------------|------------------------------|
| SunTrust Bank Atlanta | From: Rhode Island Row 410 Rhode Island Avenue NE Washington, DC 20002 To: 2350 Washington Place NE Washington, DC 20018 | 09-16-2016 | |
| Members First Credit Union Decatur | From: Sandy Springs 6690 Roswell Road, Suite 1100 Sandy Springs, GA 30328 Fulton County To: 8010 Roswell Road, Suite 150 Sandy Springs, GA 30350 Fulton County | 09-22-2016 | |

APPLICATIONS FOR RESERVATION OF A NAME

| <u>PROPOSED NAME</u> | <u>COUNTY</u> | <u>APPLICANT</u> |
|-----------------------------|----------------------|---|
| Coosa Valley Credit Union | Floyd County | Mr. Andy F. Harris President/Chief Executive Officer Coosa Valley Federal Credit Union 2010 Redmond Circle Rome, GA 30165 |

FINANCIAL INSTITUTION MERGERS

| <u>SURVIVING INSTITUTION</u> | <u>MERGED INSTITUTION</u> | <u>APPROVAL DATE</u> | <u>EFFECTIVE DATE</u> |
|---|---|-----------------------------|------------------------------|
| First National Bank of Decatur County Bainbridge, GA | Citizens Bank Cairo, GA | Pending | |
| South State Bank Columbia, SC | Georgia Bank & Trust Company of Augusta Augusta, GA | Pending | |
| Pinnacle Bank Elberton, GA | Independence Bank of Georgia Braselton, GA | Pending | |
| State Bank and Trust Company Macon, GA | The National Bank of Georgia Athens, GA | Pending | |
| State Bank and Trust Company Macon, GA | S Bank Glennville, GA | Pending | |

**APPLICATIONS TO BECOME A BANK HOLDING COMPANY
AND/OR TO ACQUIRE VOTING STOCK OF A FINANCIAL INSTITUTION**

| <u>BANK HOLDING COMPANY</u> | <u>TO ACQUIRE</u> | <u>APPROVAL DATE</u> |
|--|--|-----------------------------|
| South State Corporation Columbia, SC | Southeastern Bank Financial Corporation Augusta, GA | Pending |
| Pinnacle Financial Corporation Elberton, GA | Independence Bank of Georgia Braselton, GA | 09-06-2016 |

DBF Outreach AND UPCOMING SPEAKING ENGAGEMENTS

- **2016 President/CEO Conference** - Commissioner Kevin Hagler spoke at the 2016 President/CEO Conference, as presented by the Georgia Bankers Association, at The Ritz-Carlton Lodge, Reynolds Plantation, Greensboro, Georgia, on October 4, 2016.
- **Society of Chief Appraisers Meeting** - Deputy Commissioner for Supervision Melissa Sneed will be speaking at the Society of Chief Appraisers meeting at SunTrust Bank Building, Atlanta, Georgia, on October 13, 2016. For more information about this event, visit <http://www.societyofchiefappraisers.org>.

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The Department is the state agency that regulates and examines Georgia state-chartered banks, state-chartered credit unions, state-chartered trust companies, and bank holding companies that own Georgia state-chartered financial institutions. The Department also has responsibility for the supervision, regulation, and examination of Merchant Acquirer Limited Purpose Banks chartered in Georgia.

In addition, the Department has regulatory and/or licensing authority over mortgage brokers, lenders and processors, mortgage loan originators, check cashers, sellers-issuers of payment instruments, money transmitters, and international banking organizations.

Our **Mission** is to promote safe, sound, competitive financial services in Georgia through innovative, responsive regulation and supervision.

Our **Vision** is to be a willing and able partner with our regulated entities in order to support vibrant economic growth and prosperity in Georgia.

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